Housing Counseling Frequently Asked Questions - Record Keeping

HUD approved housing counseling agencies must maintain accurate client records that comply with the requirements contained in the most current version of HUD Handbook 7610.1. HUD verifies compliance during biennial reviews. At a minimum of every two years, HUD staff reviews all approved housing counseling agencies and affiliates of intermediaries. During these biennial review visits, HUD will sample the agency's housing counseling client and group session files. Summarized below are frequently asked questions and corresponding responses that describe HUD's record keeping procedures and requirements. Training and contact information is also listed at the end of this document.

1. What can an agency expect during a biennial review? What can an agency do to make sure monitors are able to find what they are looking for?

A biennial review is usually an on-site monitoring visit. Prior to the visit, HUD staff will review the agency's most current housing counseling plan and may request a copy of the agency's most recent form HUD-9902. During the visit, typically HUD staff will sample 10-20 client and group files using a checklist of items required by HUD Handbook 7610.1. Appendix 11 of the Handbook lists all items covered by HUD staff during a biennial review.

An agency can help monitors by having its most current housing counseling plan on file with the appropriate HUD office. This plan is an outline of the agency's housing counseling services and describes in detail how these services are delivered. A quality housing counseling plan will describe the anticipated or average time spent with clients on a specific activity, the steps used by the housing counselor to analyze a client's housing needs and problems, and also describe how available resources will be utilized by the agency to deliver the proposed housing counseling services to the target population. HUD staff will review this plan prior to an onsite visit.

When the monitor arrives, have a designated workplace available and have all requested information and files ready in a centralized place. Also provide the monitor access to a copy machine.

2. What information should a client file contain?

A: File should contain:

- Client file number
- Client's name, address and telephone number
- FHA case number (if applicable), loan or project number
- Interviewing housing counselor's name
- Interview date
- Information obtained during the screening and subsequent interviews or counseling sessions
- Demographic data
- Purpose and results of each visit

- Documentation specifying agency involvement on behalf of client
- Client's housing counseling plan
- Log of activities which includes documentation of any follow-up with client including participation in group sessions
- Date and cause for termination of counseling

3. What is a client's housing counseling plan?

A: The housing counselor prepares the client's housing counseling plan after the screening interview. The plan states what the agency and the client will do to resolve the client's housing need or problem. The client must sign the plan.

Note this is different from the agency's housing counseling plan discussed in Question 1 above. The housing counseling plan refers to the agency's delivery of housing counseling services in Question #1.

4. What is the log of activities?

A: This is a list of activities performed on behalf of a client. Activities include intake, follow-up, telephone calls on behalf of client such as working with lenders for loss mitigation, calls to other counselors for advice or ideas to help resolve a client's housing problem(s), documents showing financial analysis and evaluation to determine client's options, or attending group sessions or training. The key is to provide detailed descriptions of the activities, including persons involved and date. For example, after contacting a lender, the housing counselor should note the date and time of telephone call, with whom the counselor spoke and the results of the conversation.

5. Is there any time limit after last contact for termination of a client?

A: HUD Handbook 7610.1 does not provide a specific time limit for termination of counseling. Paragraph 3-5 does require the agency to document every termination of counseling. Causes for termination may include the following:

- Client resolves his/her housing need or problem
- Housing Counseling Agency determines that further counseling will not meet the client's housing need or problem
- Client terminates counseling
- Client does not follow the agreed-upon housing counseling plan
- Client fails to appear for counseling appointments or classes

6. What exactly are HUD reviewers looking for in client files?

A: We verify all the information required above in is the second "Recordkeeping" Answer is included in the client's file. But we are also examining files to get a sense of the counseling session(s). We want to make sure the client was well served and look for documentation that indicates to us:

- The counselor identified the client's housing need or problem
- The counselor assessed the client's unique financial circumstances
- The counselor collected appropriate documentation
- The counselor offered appropriate advice and developed and communicated a realistic housing counseling plan and
- The counselor noted the cause and date for terminating counseling

7. Is there a certain order in which client files need to be?

A: It is important that the system used by the agency lends itself to easy monitoring by HUD. There is no particular order required by HUD as long as everything is in the file (either electronic or paper). We understand that the files must have functionality for the agency.

Many intermediaries and local housing counseling agencies are increasingly utilizing on-line client management systems - the result is that much information that would have traditionally been in the hard copy file is now maintained electronically. Are housing counseling agencies required to keep a hard copy of everything in the file as well?

As long as the information exists electronically, there is no need to also have a hard copy in file. However, the agency must be able to print the information quickly to show it to the HUD reviewer during a biennial review.

8. What are some of the most common file and record keeping problems HUD reviewers identify during biennial reviews?

A. Here is a list of some common problems identified:

- Counseling type (client problem or need)
- Complete client name and address
- Housing counseling plan
- Indication if billed to HUD grant
- Was counseling face to face?
- Documents that demonstrate the counselor discussed financial status and evaluated income, debt, financial obligations, etc. to determine appropriate course of action for the client
- Follow-up performed by the counselor
- Termination of counseling - date and reason

9. Do these record keeping requirements apply to affiliates and branches of intermediaries/state finance agencies and non-funded HUD approved agencies?

A: They apply to all HUD-approved agencies. The most current version of HUD Handbook 7610.1 should be the main source of guidance on record keeping. It is important to emphasize that the record keeping requirements in this handbook apply to affiliates and branches of HUD-approved intermediaries as well. Many intermediaries were reviewed last year for the first time and we discovered their branches and affiliates did not maintain records and files in a way that demonstrated to us quality counseling had occurred. Intermediaries and state finance agencies must assure that their affiliates and branches comply with all requirements in HUD Handbook 7610.1. These record keeping requirements also apply to all HUD-approved local housing counseling agencies, not just HUD-funded agencies.

10. How can an agency obtain a copy of HUD Handbook 7610.1, Rev-4?

A: The handbook can be downloaded at:

http://www.hud.gov/offices/hsg/sfh/hcc/hccprof7.cfm

You must select "Next Doc" after each section to advance to the next chapter or appendix.

A hard copy of the handbook can also be ordered at 1-800-767-7468.

11. When exactly should an agency start a client file? For example, when a counselor provides quick advice over the telephone should a client file be started? What about participants in group-sessions?

A: An agency should not start an individual client file for a quick telephone call or participation in a group session only. The file should be started for each client that has a one-on-one counseling session. Client files should be started for telephone calls when substantive counseling occurred, i.e. an analysis of the client's unique situation/financial information.

12. Does each group session or course/workshop require its own file?

A: Yes. The current Handbook is somewhat unclear about group session files. The Handbook reads "each group" should have their own file. Because the dynamics of a group rarely stay exactly the same from session to session, each distinct group session, complete course, or workshop should have its own file and file number. Also see Example C in Question 19 under the Frequently Asked Questions on "Reporting."

13. Housing counseling agencies may offer several courses or topics as part of a homebuyer education workshop. For example, one class may talk about budgeting. Another class would cover the loan process. Does the agency have to create a file for each individual class?

A: Yes, if the classes are being taught as separate classes. For example, potential homebuyers may be required to complete several mini-courses. Each course is scheduled at a different time. Each individual course would then require its own group file. By contrast, the agency may offer an all day workshop for homebuyer education that covers several topics such as budgeting, the home buying process, credit, etc. This is just one class so a group file would be needed for just that one class and not each individual topic.

14. What information needs to be contained in a group session file?

A: Contained information is:

- File number
- Participating clients' names, addresses and telephone number
- Demographic data
- Signature of each client for each session attended
- Subject of each session
- Name of each housing counselor participating in the session
- Date, place and duration of each session

15. Regarding group session file number, does each course or workshop have its own number assigned to it or does each individual participant receive a client number?

A: Each course or workshop must be assigned a number and not each participant.

16. Does the housing counseling agency create an individual file for clients that just attend a group session?

A: There is no need to create an individual file for clients just attending a group session. Should they follow-up with a one-on-one session, a file should then be created and reflect that they attended the group session(s). Similarly, if an individual file already exists, please note the group session attendance.

17. Client files often contain sensitive personal information. What guidance does HUD offer housing counseling agencies regarding client confidentiality and credit reports?

A: HUD expects housing counseling agencies to take confidentiality very seriously. The agency must hold all client information in strict confidence in a secure location. The agency may be subject to the penalties provided in the Fair Credit Reporting Act. Disclosure of information contained in credit reports can be made to clients depending on the terms of the contract between the agency and reporting credit bureau.

Please note that confidentiality also applies to HUD staff. Any information obtained by HUD staff, as part of a biennial review will be held in the strictest confidence.

18. How long should files be maintained?

A: Both group and individual files should be retained for 3 years from the date the case file was terminated for housing counseling or from the final invoice was paid by HUD.

Training

19. Is training available for housing counseling agencies?

A: Currently, training opportunities exist through Neighborhood Reinvestment Training Institute (NRTI). NRTI can be contacted at 800/438-5547 or visit http://www.nw.org/training for more details.

HUD's National Servicing Center also offers Loss Mitigation Training on a regular basis and each of HUD's Single Family Homeownership Centers also periodically offer training for housing counselors. HUD's training and event schedule is located at:

http://www.hud.gov/offices/hsg/sfh/events/events.cfm

HUD also archives previous satellite training or announcements. Information on how to access these archived webcasts is located at:

http://www.hud.gov/webcasts/index.cfm

Contact Information:

Regional and National Intermediaries can contact.

Director, Program Support Division
Office of Single Family Housing
HUD Headquarters, Room 9166
451 Seventh Street, S.W.
Washington, D.C. 20410
Technical assistance contact: Program Support Division (202) 708-0317

Local Agencies and State Finance Agencies should contact the HOC for your state as listed below.

Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

U.S. Department of Housing and Urban Development
Philadelphia Homeownership Center
ATTN: Director, Program Support Division
The Wanamaker Building, 100 Penn Square
East Philadelphia, PA 19107-3380
Technical assistance contact: Program Support Division 1-800-440-8647

Alabama, Puerto Rico, Florida, Georgia, Illinois, Indiana, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee

U.S. Department of Housing and Urban Development
Atlanta Homeownership Center
ATTN: Director, Program Support Division
40 Marietta Street, 8th Floor
Atlanta, GA 30303-2806
Technical assistance contact: Program Support Division 1-888-696-4687

Arkansas, Colorado, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, and Wyoming

U.S. Department of Housing and Urban Development
Denver Homeownership Center
ATTN: Director, Program Support Division
633 17th Street
Denver, CO 80202-3607
Technical assistance contact: Program Support Division (303) 672-5216

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Alaska, Arizona, California, Hawaii, Oregon, Idaho, Nevada, and Washington

U.S. Department of Housing and Urban Development
Santa Ana Homeownership Center
ATTN: Director, Program Support Division
1600 North Broadway, Suite 100
Santa Ana, CA 92706-3927
Technical assistance contact: Program Support Division 1-888-827-5605